

**Ameren Missouri**  
**Response to MPSC Data Request**  
**MPSC Case No. EO-2012-0142**

Data Request No.: MPSC 0003 - John Rogers

What is Ameren Missouri's justification for not including any demand response programs or demand response pilot programs in this MEEIA application? Please be specific with respect to why none of the annual RAP demand response resources for 2013 - 2015 described in Appendix C of the Company's 2013 – 2015 Energy Efficiency Plan are not included in this MEEIA application?

**RESPONSE: (do not edit or delete this line or anything above this)**

**Prepared By: Richard A. Voytas**

**Title: Manager, Energy Efficiency and Demand Response Corporate Development**

**Date: 03/06/2012**

Ameren Missouri has performed a benefit/cost analysis of DR programs assuming a 3-year program life – equivalent to the MEEIA implementation planning period. Using this assumption, the programs are not cost effective. This is largely due to depressed market prices for capacity.

We then performed breakeven analyses for longer implementation periods to determine when the DR programs would become cost effective (TRC to equal 1.0). The analysis showed the DR programs were only marginally cost effective even after 6-7 years.

The DSMore batch and aggregate tools that support this work are attached.

The RAP demand response potential benefit/cost ratios included in Appendix C were calculated over a 22-year planning horizon. Consequently, the higher capacity prices in the later years of the long planning horizon were the driver in the RAP programs being cost effective.

Based on Ameren Missouri's capacity position, DR resources are not needed to meet planning reserve requirements during the MEEIA implementation period. Based on the forward view of the market price for capacity, DR resources are not cost effective to sell into the MISO market during the MEEIA implementation period. In fact, the benefit/cost ratio of DR resources (and consequently the direct value to customers) will be higher if the implementation of DR resources is more closely aligned with the timing of the need to acquire additional capacity to meet customers' peak demand. For these reasons, DR resources were not included in the MEEIA implementation plan.